

Regulatory Observations on Early Application of Protocols



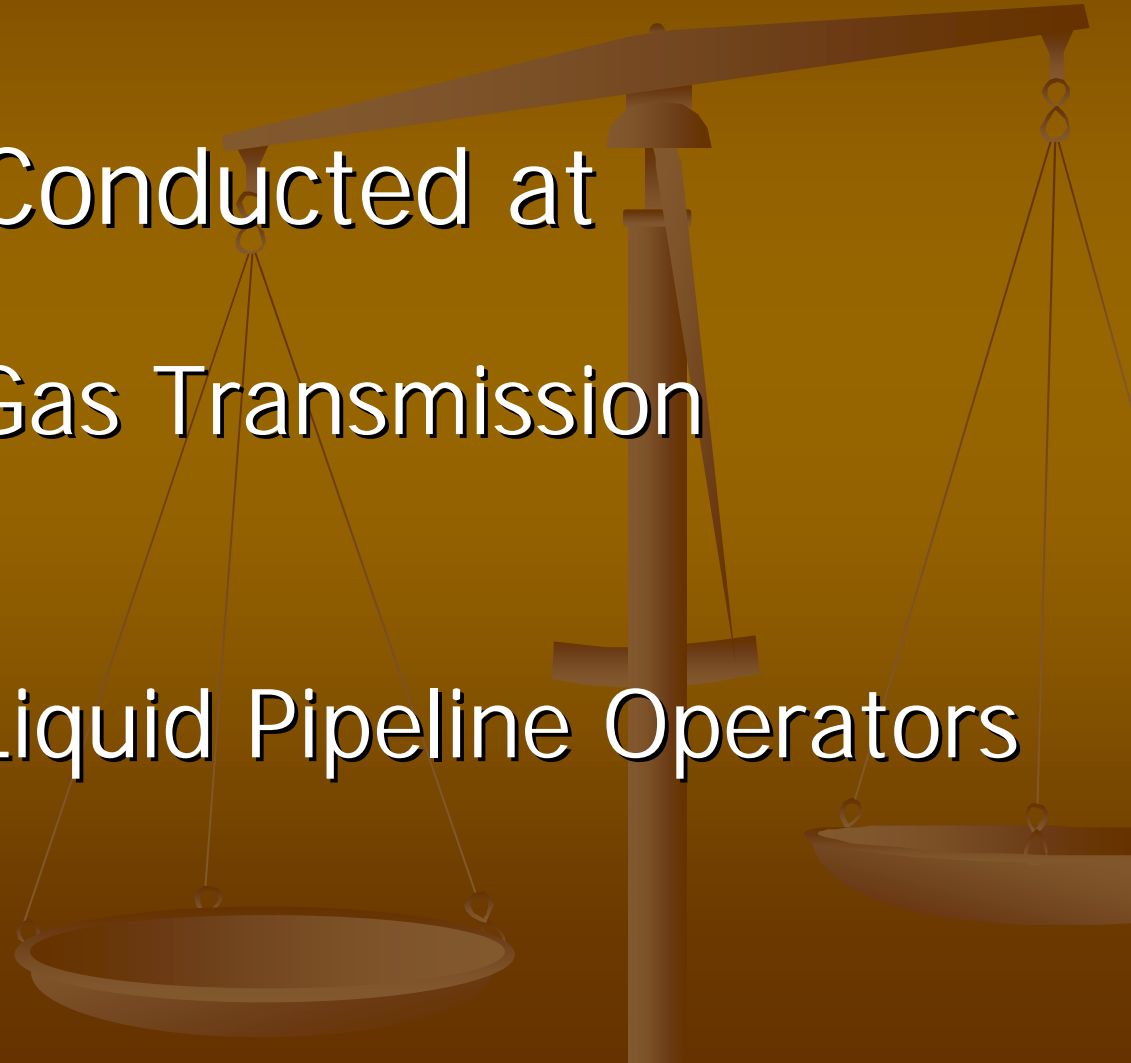
Public Meeting on OQ

Atlanta, GA

April 23, 2003

Inspections to Date

- Inspections Conducted at
 - Two Large Gas Transmission Operators
 - Two Large Liquid Pipeline Operators

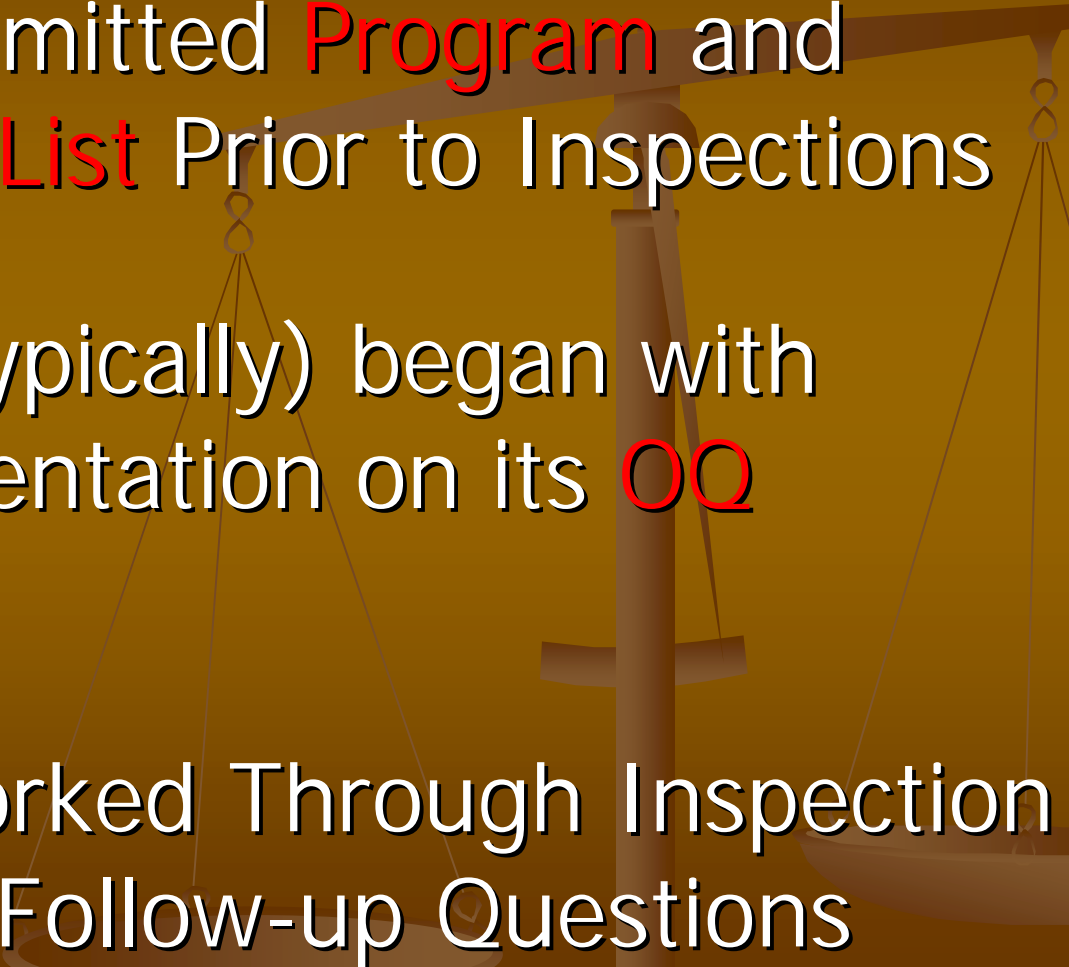


Inspections to Date


- OQ Team Included both State and Federal Inspectors
- No Field Verifications Conducted yet by Team



Inspection Approach Used

- Operators Submitted **Program** and **Covered Task List** Prior to Inspections
 - Inspections (typically) began with Operator Presentation on its **OQ Program**
 - Regulators Worked Through Inspection Protocols and Follow-up Questions
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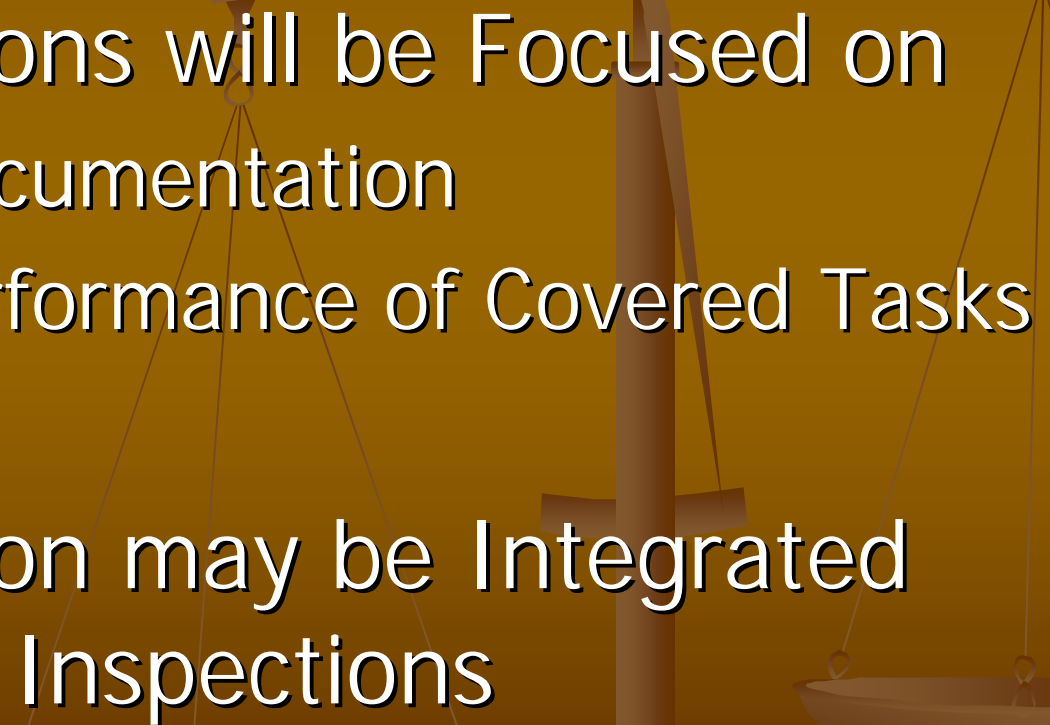
Inspection Approach Used

- Regulators **Caucused** to Identify Further Questions and “Findings”
 - Operators Provided Responses to Additional Questions
 - Regulators Led Exit Discussion on Findings
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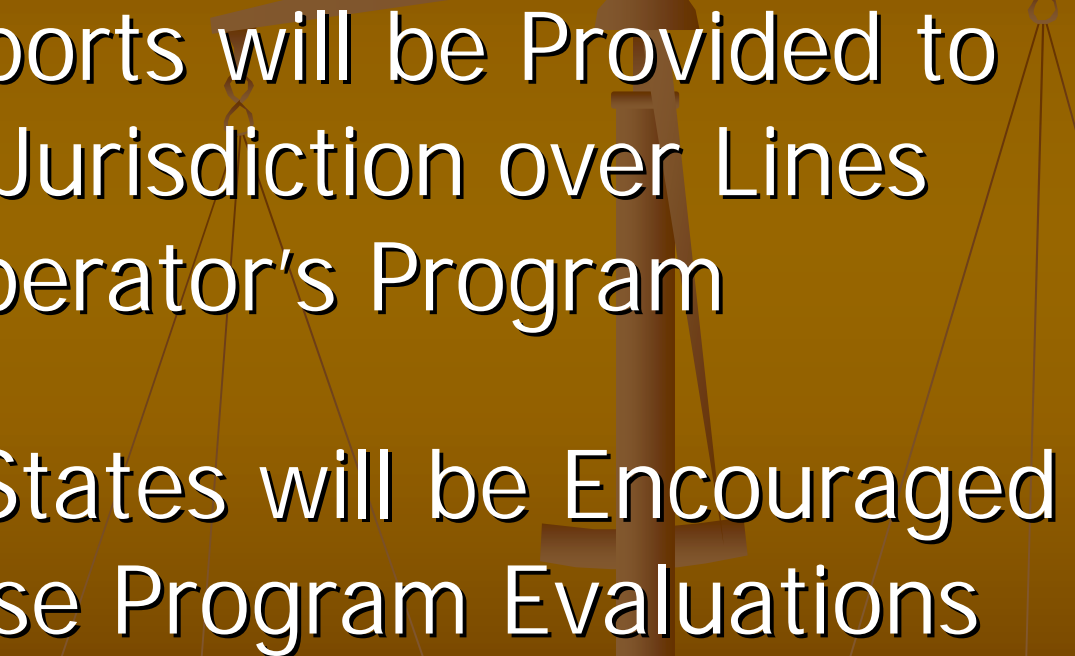
Follow-Up to Inspections (Field Verification)

- **Field Verifications** will be Carried out in Light of Headquarters Program Inspection Findings
- Depending on Findings, Regulators Plan more or less Extensive Field Verifications

Follow-Up to Inspections (Field Verification)

- Field Verifications will be Focused on
 - Reviewing Documentation
 - Observing Performance of Covered Tasks
 - Field Verification may be Integrated with Standard Inspections
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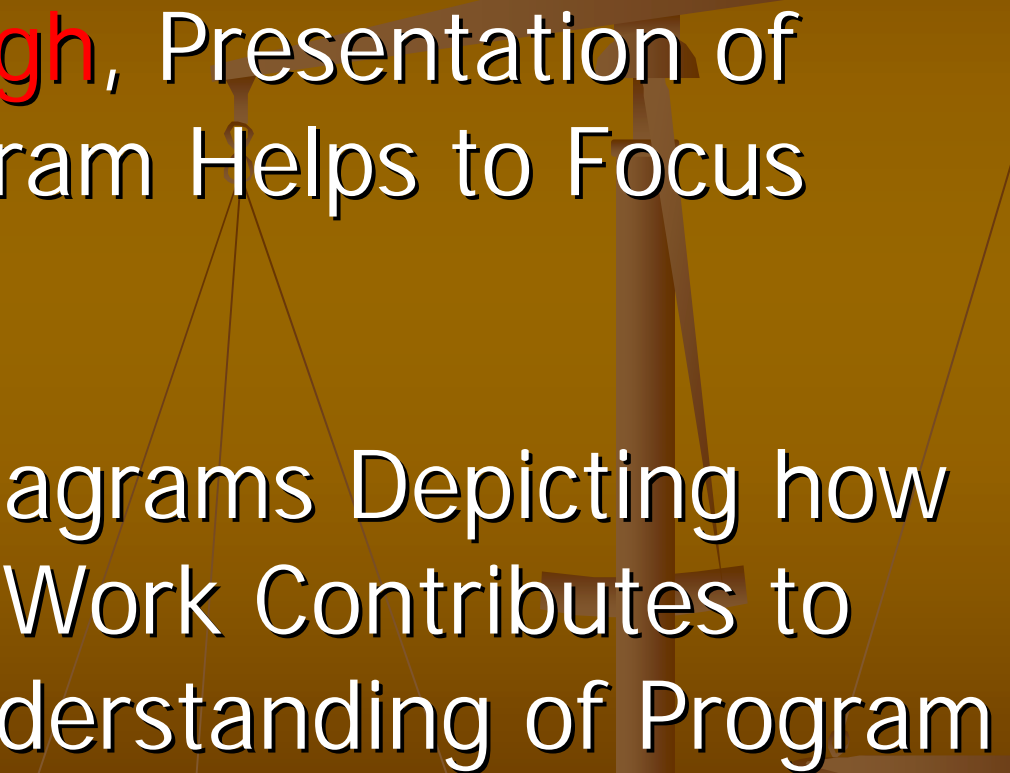
Anticipated Formal Communication from Regulators

- Inspection Reports will be Provided to States having Jurisdiction over Lines Covered by Operator's Program
 - Jurisdictional States will be Encouraged to Rely on these Program Evaluations
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Anticipated Formal Communication from Regulators

- Formal Communications may Follow both **Program Inspection** and **Field Verification**
 - Communications may Include Inspection Follow-Up Requests or Enforcement Action
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Observations from Initial Inspections: Process

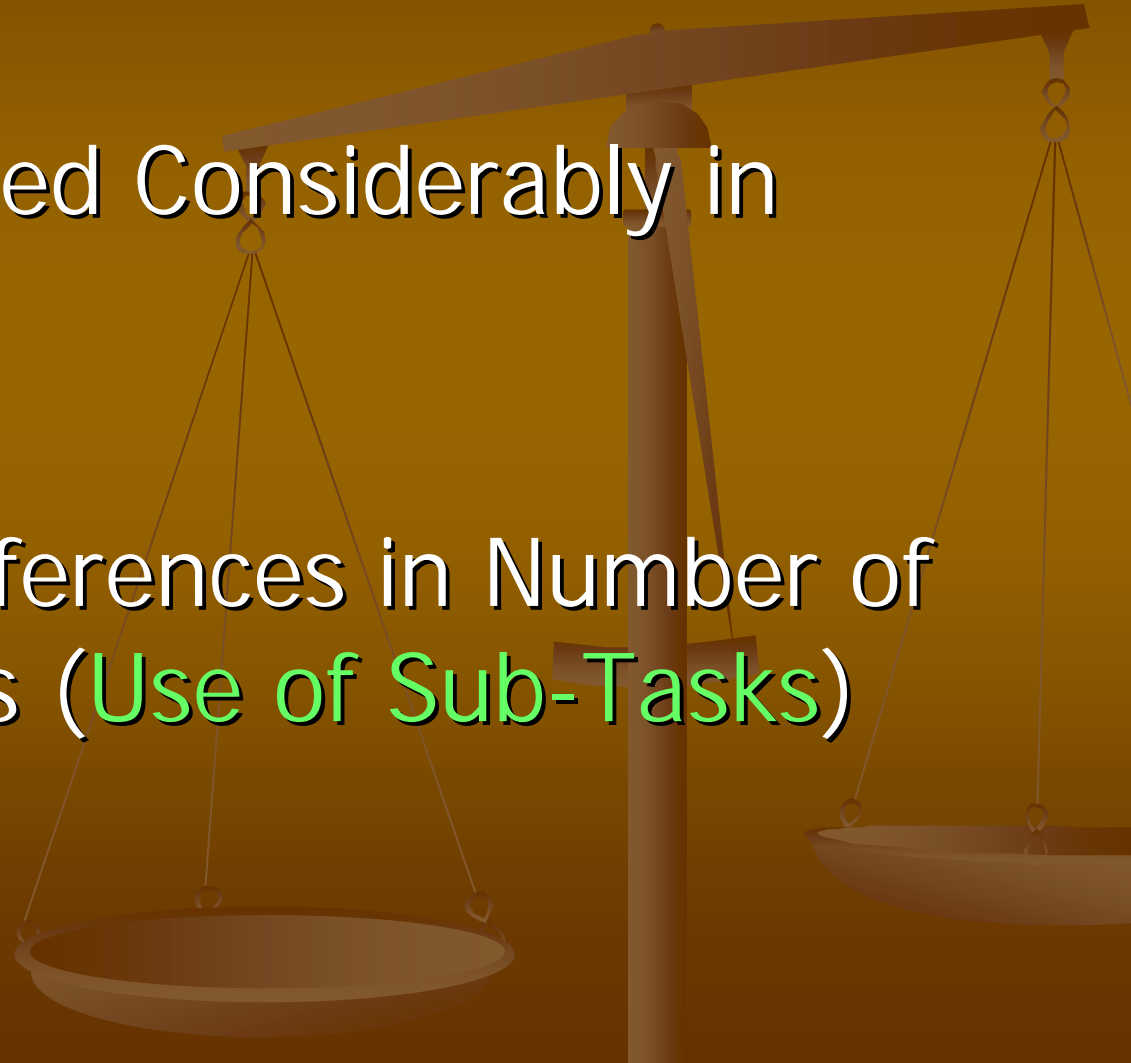
- Initial, **Thorough**, Presentation of Operator Program Helps to Focus Inspection
 - Use of Flow Diagrams Depicting how OQ Processes Work Contributes to Regulatory Understanding of Program
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Observations from Initial Inspections: Process

- Easy Access to Supporting Documentation and Evidence of Program Implementation **Expedites** Inspection
 - Operator Attitude Sets the Tone of Inspection
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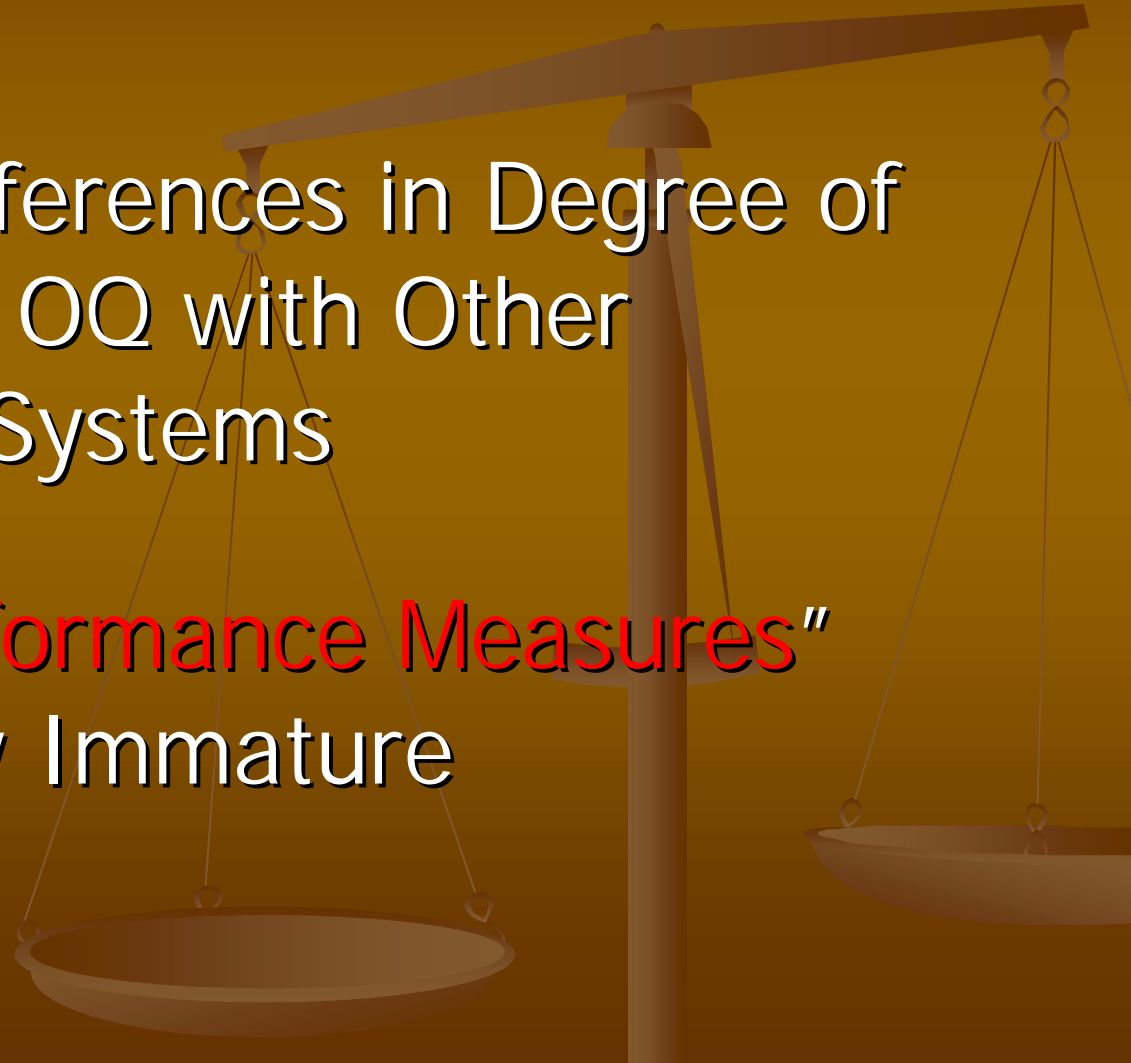
Observations from Initial Inspections: Findings (1)

- Programs Varied Considerably in **Maturity**
- Significant Differences in Number of Covered Tasks (**Use of Sub-Tasks**)



Observations from Initial Inspections: Findings (2)

- Significant Differences in Degree of Integration of OQ with Other Management Systems
- Program “Performance Measures” were Typically Immature



Observations from Initial Inspections: Findings (3)

Operators Differed in Treatment of Some "Outstanding Issues"

- O&M versus New Construction
- Excavation Tasks



Observations from Initial Inspections: Findings (4)

Operators Differed in Treatment of Some "Outstanding Issues"

- AOCs (Task-Specific often Integrated into Evaluation for Task, Generic Treated Separately)
- Integration of **Training** (Extent Varied)

Observations from Initial Inspections: Findings (5)

Operators Differed in Treatment of Some "Outstanding Issues"

- Guidance on Span-of-Control (for Use of **Non-Qualified Individuals**)
- Identifying Persons Contributing to Incident/Accident
 - **Immediate** Contribution
 - **Delayed** Contribution

Observations from Initial Inspections: Findings (6)

Operators Treated Some "Outstanding Issues" Similarly

- KSAs (Knowledge, Skill, and Ability) Addressed either in Evaluation or in "Pre-Qualification" for Evaluation

Observations from Initial Inspections: Findings (7)

Operators Treated Some "Outstanding Issues" Similarly

- Justification for Reevaluation Intervals was "Subjective" (No Evidence of Quantitative Performance Measurement tied to Intervals)
- Emergency Response

Observations from Initial Inspections: Findings (8)

- Discomforting use of **Work Performance History Review** (WPHR) to “Pre-Qualify” Individuals - **“Evaluation Light”**
(Will Assess Impact in Field Verification)

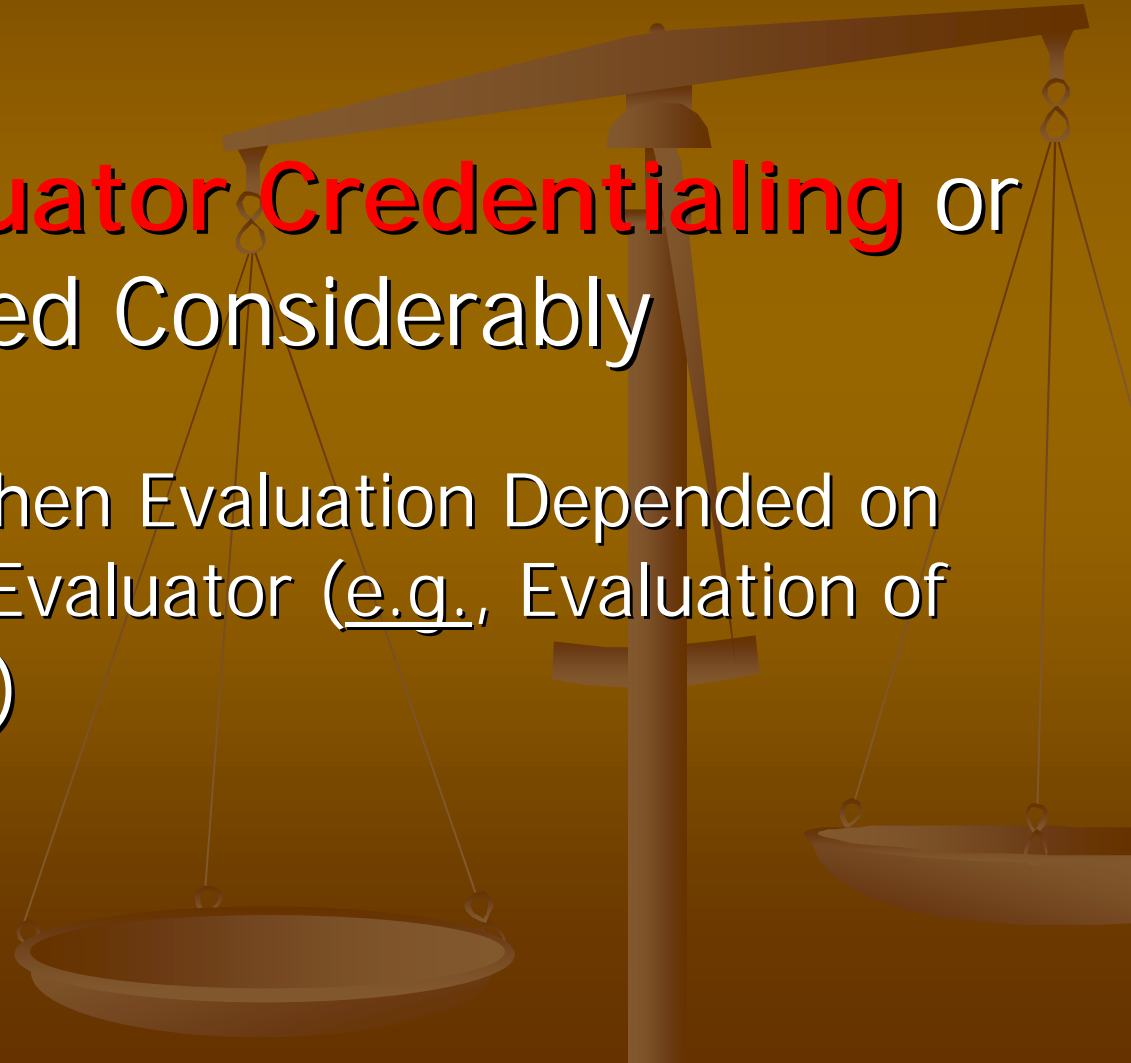
Observations from Initial Inspections: Findings (9)

- Rigor of **Contractor Qualification** Varied Considerably Leading to Strong Concern about Qualification
(Will Assess Impact in Field Verification)



Observations from Initial Inspections: Findings (10)

- Rigor of **Evaluator Credentialing** or Selection Varied Considerably
 - Significant when Evaluation Depended on Expertise of Evaluator (e.g., Evaluation of Performance)



Observations from Initial Inspections: Findings (11)

- **Management of Change :**
Guidance Needed (Often Provided) on
 - Significance of Change
 - Corresponding Impact of Qualification
 - Required Action to Retain Qualification

Observations from Initial Inspections: Findings (12)

- Large Variations in Plans to **Evaluate Program Effectiveness**, Ranging from:
 - No Specific Plan to Review Program
 - Formal Review Plan and Assignment of Responsibility for Periodic Program Review
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